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November 13, 2001

By E-Mail

Gloria Blue, Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

PUBLIC DOCUMENT

Re: Steel, Investigation No. TA-201-73; Exclusion Requests

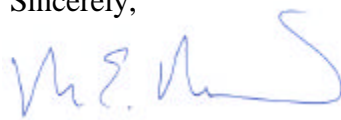
Dear Ms. Blue:

Pursuant to the notice of request for comments published at 66 Fed. Reg. 54321 (Oct. 26, 2001), we hereby submit the enclosed exclusion requests for the following products on behalf of Sairstahl AG and Saarsteel Inc.:

1. Free-Machining Steel Bars & Rods
2. Large Diameter Steel Wire Rod

If you have any questions, please do not hesitate to contact us by telephone or by e-mail at montalbine@dhlaw.de.

Sincerely,



J. Kevin Horgan
Donald E. deKieffer
Marc E. Montalbine

Attachments

Request To Exclude Products From Import Relief Under Section 203

Steel, Inv. No. TA-201-73

Free-Machining Steel Bars & Rods

This exclusion request is being submitted on behalf of Saerstahl AG and its U.S. affiliate Saarsteel Inc.

(a) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States;

Free-machining steel bars & rods. This product is imported under HTS Nos. 7213.20.0000 and 7214.30.0000.

(b) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought;

Bars and rods of iron or nonalloy steel containing by weight 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.4 percent of phosphorus, more than 0.05 percent of selenium, and/or more than 0.01 percent of tellurium.

(c) The basis for requesting an exclusion;

As shown by the table attached as **Appendix 1**, the U.S. steel industry is not able to meet the U.S. demand for free-machining steel bars & rods. In fact, as found in the anticircumvention inquiry concerning *Hot-Rolled Lead and Bismuth Carbon Steel Products from Germany and the United Kingdom*, the domestic industry has very little capacity for the production of leaded carbon steel, one of the most important types of free-machining steel. See Hot-Rolled Lead and Bismuth Carbon Steel Products from Germany and the United Kingdom; Negative Final Determinations of Circumvention of Antidumping and Countervailing Duty Orders, 64 Fed. Reg. 40336 (July 26, 1999) (finding that imports of leaded steel billets were not circumventing the antidumping and countervailing duty orders on hot-rolled lead and bismuth carbon steel products). In light of this fact, the U.S. industry has voluntarily excluded free-machining steel bars & rods

from all previous trade actions. *See, e. g., Certain Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela, Inv. Nos. 701-TA-368-371 (Final).*

(d) The names and locations of any producers, in the United States and foreign countries, of the product;

See attached **Appendix 2**.

(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection;

See attached **Appendix 1**.

(f) Total U.S. production of the product for each year from 1996 to 2000, if any; and

See attached **Appendix 1**.

(g) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

There are no substitutes for free-machining steel bars & rods.

For any questions regarding this request, please contact:

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U.S. Consumption & Production Free-Machining Steel Bars & Rods

Item	Quantity (in short tons)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
U.S. Production	300,000	300,000	300,000	300,000	300,000					

Item	Value (U.S. dollars)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000	225,000,000

U.S. consumption and production quantities are based upon market estimates and import statistics. U.S. consumption values are based on a price of \$450 per short ton.

U.S. & Foreign Producers

U.S. Producers:

Ispat Inland Inc.
East Chicago, Indiana
USA

Republic Technologies Inc.
Lorain, Ohio
USA

Foreign Producers:

Acindar
Argentina

Aceralia
Spain

Corus
United Kingdom

Saarstahl AG
Germany

Request To Exclude Products From Import Relief Under Section 203

Steel, Inv. No. TA-201-73

Large Diameter Steel Wire Rod

This exclusion request is being submitted on behalf of Saerstahl AG and its U.S. affiliate Saarsteel Inc.

(a) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States;

Large diameter steel wire rod. This product is imported under HTS No. 7213.99.0060.

(b) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought;

Bars and rods, hot-rolled, in irregularly wound coils, of iron or nonalloy steel with a diameter of 19 mm or more.

(c) The basis for requesting an exclusion;

As shown by the table attached as **Appendix 1**, the U.S. steel industry is not able to meet the U.S. demand for large diameter steel wire rod.

(d) The names and locations of any producers, in the United States and foreign countries, of the product;

See attached **Appendix 2**.

(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection;

See attached **Appendix 1**.

(f) Total U.S. production of the product for each year from 1996 to 2000, if any; and

See attached **Appendix 1**.

(g) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

There are no adequate substitutes for large diameter steel wire rod in the production of large cold-formed parts.

For any questions regarding this request, please contact:

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**U.S. Consumption & Production
Large Diameter Steel Wire Rod**

Item	Quantity (in short tons)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	90,000	90,000	100,000	100,000	115,000	115,000	115,000	115,000	115,000	115,000
U.S. Production	50,000	50,000	55,000	55,000	60,000					

Item	Value (U.S. dollars)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	40,500,000	40,500,000	45,000,000	45,000,000	51,750,000	51,750,000	51,750,000	51,750,000	51,750,000	51,750,000

U.S. consumption and production quantities are based upon market estimates and import statistics. U.S. consumption values are based upon a price of \$450 per short ton.

U.S. & Foreign Producers

U.S. Producers:

Ispat Inland Inc.
East Chicago, Indiana
USA

Charter Steel
Saukville, Wisconsin
USA

Republic Technologies Inc.
Lorain, Ohio
USA

(limited to sizes < 26 mm in diameter)

Foreign Producers:

Aceralia
Spain

Ispat Sidbec Inc.
Canada

Corus
United Kingdom

Saarstahl AG
Germany

Ivaco
Canada